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August 15, 2011

**VIA ELECTRONIC FILING**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street SW  
Washington DC 20554

**Re: NOTICE OF EX-PARTE COMMUNICATION**

*Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42;  
*Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; and  
*Lifeline and Link Up*, WC Docket No. 03-109

Dear Ms. Dortch,

On, August 11<sup>th</sup>, Mary Henze and I (of AT&T) met with Kim Scardino, Cindy Spiers, Divya Shenoy, Graham Dufault, Jonathan Lechter, James Shih, and Jamie Susskind of the FCC's Wireline Competition Bureau regarding several pending issues from the above- referenced open proceedings. No materials were distributed during this meeting.

In particular, we discussed existing Lifeline eligibility verification practices and the types of costs incurred by ETCs like AT&T. We shared AT&T's experience that the vast majority of Lifeline customers qualify for Lifeline via participation in public assistance programs, rather than on the basis of documenting household income, though we understand from third parties that the latter percentage is significantly higher in at least two states where the eligibility verification process has been outsourced to an administrator. Further, and consistent with a previous ex-parte filed on April 15, 2010, we also discussed the fact that states do not generally impose restrictions on the application of Lifeline discounts to bundled services. We also expressed our support for discontinuing the current practice of requiring ETCs to issue bills of \$1 to tribal customers, as the costs and burdens of generating monthly bills for such a *de minimis* amount far outweighed the benefits.

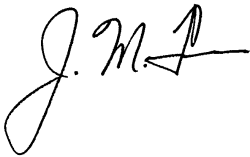
Finally, we encouraged the FCC not to adopt a performance metric based on participation in the Lifeline program, but rather, to attempt to measure the actual availability of affordable service, whether Lifeline-subsidized or other generally available low cost options. Moreover, we also noted that, based on FCC data that shows that low income telephone subscribership levels are

about 90%, it may be useful to determine what, if anything, is preventing the remaining 10% from obtaining telephone service.

In accordance with the Commission's rules, this letter is being filed electronically in the above referenced dockets via the FCC's Electronic Comments Filing System.

Should you have any questions regarding the above or the attached, please feel free to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "J. M. F." with a stylized flourish at the end.

Cc: (via electronic mail)

Kim Scardino  
Cindy Spiers  
Divya Shenoy  
Graham Dufault  
Jonathan Lechter  
James Shih  
Jamie Susskind